



**IDAHO LIQUOR DIVISION  
PURCHASING & DISTRIBUTION**

**NEW PRODUCT LISTING PROCEDURES**

August 1, 2013

**INTRODUCTION**

New Product Listings and De-listings; are the processes by which new products get to market and non-performing products are removed. It's critical to have both a clear and effective Product Listing /De-listing policy.

These two processes **must** work hand in hand to keep the product mix fresh.

The Idaho State Liquor Division (ISLD) distribution center storage, order processing space is limited as well as store display and shelving capacity; therefore it is critical that the product line be constantly evaluated to insure sales success.

The final decision regarding whether products enter, stay or are removed from the ISLD product line ultimately rests with Consumers through their purchase activities.

**CRITICAL POINTS FOR SUPPLIERS TO CONSIDER PRIOR TO OFFERING POTENTIAL NEW PRODUCTS TO ISLD**

**Consumer Demand:**

- Consumers or Licensees are asking for the product.
- Consumers or Licensees are asking for new varieties, packages or sizes of existing products.
- Suppliers can quantify consumer interest in new products.
- Products being offered for consideration are well established name brands, with strong consumer product awareness, as supported by a variety of marketing and advertising campaigns.

**Product "Fit" with ISLD Product Line:**

- The proposed product fits the ISLD product line.
- The product line has limited choices within pricing levels in the respective category.
- Consumers are requesting more choice in categories, either for product alternatives or different pricing levels.
- The number of products currently offered generally matches the sales demand of the respective category.
- Sales across the category are evenly spread across available products.
- The category has too few products to meet consumer needs.
- The number of products in the category is disproportionately high for the category sales and gross profit performance.

### **Supplier Market Initiatives and On-going support:**

- Supplier of the proposed product has a written, effective national and Idaho focused marketing and promotion plan.
- Supplier of the proposed product has written new product launch strategy and integration plan for Idaho.
- Supplier has a written sales performance plan for the proposed new product showing sales expectations and how these expectations will be met.
- Supplier has a clear pricing and price promotion plan.
- Supplier has an exit strategy, including removal of bailment inventory and retail pricing support for ISLD-owned inventory for new products that fail to achieve success.

### **Supplier provides complete information for both new products and product reclassification requests:**

- Supplier provides written information and data on why it is in ISLD's best interest to consider and accept the proposed new product.
- Supplier provides written information supporting a reclassification from SPECIAL ORDER status to NEW or REGULAR status.
- Supplier provides justification and rationale to support a request for a product to move from LIMITED to NEW or REGULAR status.

## **LISTING PROCESS – HOW PRODUCTS ARE ADDED**

1. **QUICK LIST COMMITTEE MEETING** – Meetings held in the months of January, February, March, May, June, August and September; which allow for prompt consideration of unlisted products, newly developed or imported products along with new sizes, package variations and Value Added Pack variations (VAP) and One Time Only (OTO) products.
2. **SPECIAL ORDER** – Additions supported by firm purchase commitments from either an identified Retail Consumer or Liquor-by-the drink Licensees.
3. **HOLIDAY SEASONAL GIFT PRODUCTS** – Selected by a Holiday Listing Committee in the spring of each year.

### **1. QUICK LIST**

**QUICK LIST COMMITTEE MEETING** – After considering the “CRITICAL POINTS FOR SUPPLIERS OFFERING POTENTIAL NEW PRODUCTS”, Idaho Liquor Supplier Representatives may submit new products for consideration to the “QUICK LIST COMMITTEE”. ***Only Idaho Supplier Representatives can submit requests to the Quick List Committee on behalf of Suppliers.***

(Please refer to the ISLD Website for the **Listing of Resident Representative Permit Holders** or; for Idaho residents only, how to become a Liquor Supplier Representative.)

Value Added Pack variations (VAP) and One Time Only (OTO) products must also be submitted to the QUICK LIST COMMITTEE for consideration.

Requests will be considered by the Director's designee(s) who will then make recommendations to the Director.

Products may be recommended for immediate listing.

Products may be held waiting further product rationalization.

Products may be denied with no further action taken.

***To be given consideration by the QUICK LIST COMMITTEE the following must be provided for each product being presented; prior to the first of the month in which the meeting will be held:***

1. STANDARD PRICE QUOTE FORM showing FOB Boise case cost with resulting retail price. The cost/price data must produce a minimum of a 45% ISLD Gross Profit Margin for *both the product being considered and the 50 ml if available for sale.*
2. NEW PRODUCT LISTING PROFILE INFORMATION SHEET
3. A 750 ml size of the product being considered for listing (if this is a new/non-listed product).
4. A sleeve of 50 ml size of the product being considered for listing (if available for sale).
5. For size extensions, package variations, VAP or OTO either a sample of the product or a color photograph.
6. Written with drawl or exit strategy if product fails to achieve Gross Profit Target within 12 months.

**ISLD, at its sole discretion, may reconsider products at any time, even those that were not selected.**

Products selected via QUIK LIST must be available for outbound store delivery within 60 days.

Products selected via QUIK LIST will be allocated to stores based on the ISLD New Product Allocation formula. *(Please refer to ISLD Website for New Product Allocation Information)*

Products may be selected as NEW, REGULAR, LIMITED, SPECIAL ORDER, INTRODUCTORY, GIFT, or ONETIMEONLY products.

The Director reserves the right to approve or disapprove any additions to the product line via QUIK LIST process.

## **2. SPECIAL ORDERS:**

An unlisted product can be added to the Special Order product line upon request supported by firm purchase commitments from either an identified Retail Consumer or Liquor-by-the drink Licensees. Store managers will initiate orders on behalf of licensee or consumers via the Special Order process. *No "speculative" or requested Special Orders initiated by store managers, special distributors or at the request of Idaho Liquor Supplier Representatives will be considered or allowed.*

Special Order Suppliers may be required to enter into Bailment Inventory Management agreements with ISLD as a condition of product approval if reorders are expected.

ISLD may require a pre-order deposit for a Special Order product.

To be selected as a Special Order product, supplier must provide the following information:

STANDARD PRICE QUOTE FORM showing FOB Boise case cost with resulting retail price. The cost/price data must produce a minimum of a 45% ISLD Gross Profit Margin. The Director reserves the right to approve or disapprove any additions to the Special Order product line.

### **Logistical Challenges for requested SPECIAL ORDER products:**

- Many requested SPECIAL ORDER products may be imported or distributed by suppliers with whom ISLD has no business relationship. To process purchase orders and fulfill store orders, ISLD must first identify and set up Supplier of Record. Additionally, the Supplier of Record must provide ISLD with written product and pricing information.
- ISLD MAY REQUIRE Special Order Suppliers to become bailment inventory managed suppliers.
- The time required setting up the Supplier of Record in the item master data base and arranging special shipping and distribution to stores may result in a delay from the time a Special Order Product is requested and the order is fulfilled.

### **3. HOLIDAY SEASONAL GIFT PRODUCTS**

The Director may bring together a Holiday Listing Committee in the spring of each year to consider Holiday Gift Sets.

***To be given consideration for the Holiday Listing the following must be provided for each product being presented:***

1. Standard Price Quote form showing FOB Boise case cost with resulting retail price. The cost/price data must produce a minimum of a 45% ISLD Gross Profit Margin.
2. Color photograph of the product being offered for consideration.

The HOLIDAY LISTING COMMITTEE will make non-binding recommendations to the Director for products to be offered during the Holiday season.

The Director reserves the right to approve or disapprove any additions to the product line via THE HOLIDAY SEASONAL GIFT PRODUCTS selection process.